

Brand News

By Joe Aliperta

BP - Do-Buy-Win-Sweepstakes (credit card promotion)

BP second quarter fuels credit card promotion is underway with the exciting opportunity for consumers to win a 2005 Ford Escape Hybrid or a \$15 cash card. Consumers using their BP Visa or BP cash card when purchasing fuel between May 1 and July 6 are eligible to win!

CITGO - Open an account and save 3%

Starting April 1 and continuing through the end of August, consumers who apply and are approved for the New Citgo Plus Card will enjoy 3% savings on all purchases made within the first 60 days of opening their Citgo Plus Card. POP kits about this exciting new offer have been shipped to your locations. Make sure to have them flying high.

CLARK - Co-Branded Credit Card / Four Corners Coffee Program

Clark has partnered with Juniper Bank to promote their newly developed co-branded Platinum MasterCard. There is a \$5 bounty being paid to retailers for each new card that is generated. Attractive POP materials have been provided at no cost. Clark is also developing a new coffee program called Four Corners, which provides an exceptional tasting coffee and cappuccino offering coupled with a high-impact presentation and a variety of options for equipment and service. Be on the look out for more information this quarter.

MARATHON - Co-branded Credit Card Features Rebates for Every Purchase

The new Marathon Platinum MasterCard, issued by Chase, drives additional business into your location and creates loyal customers. Customers earn a 10% rebate during the first 60 days, then 5% on all Marathon purchases. All non-Marathon purchases earn 1% rebate.

MOBIL - New 2005 Tiger & Pegasus Credit Card

Entice consumers to apply for and use the new ExxonMobil Credit Card to receive a \$10 statement reward. Help yourself draw extensive attention to this card campaign by dressing up your site with more card acquisition material. Call 1-800-636-4POP and ask to purchase the Consumer Card Supplemental OSA Kit. It makes sense to generate consumer loyalty and build your bottom line. Calling out to all dealers, be advised that this summer's forecast predicts a HOT promotion for SpeedPass!

PHILLIPS - New Tri-Branded Card Promotion

The New Year brings the launch of the cross acceptance proprietary personal and commercial cards. Issued by Citigroup, this Tri-Branded card will be accepted at all Conoco, 76, and Phillips 66 locations.

Image Inspections

By Dan Drasler & Charlie Fanning

Brand Image Inspections—will YOUR station pass in 2005? It's springtime, and all the brands are gearing up for Image Evaluations. All of the refiners have increased their level of scrutiny, and each has adopted enforcement tactics that range from suspension of rebates to complete debrands. This is a serious issue, for many. The biggest problem areas are: uniforms (name tags!) on attendants and general cleanliness. If you are lacking in these areas, it will soon impact your facility. Your Marketing Representative will provide you with the criteria by which you'll be evaluated so that you can be prepared.



Joe Aliperta, the newest addition to the Parent Petroleum team.

Meet Joe Aliperta

Joe Aliperta, the new Marketing Analyst for Parent Petroleum's Fuels Marketing and Development Department, may be the youngest member of the department, but he brings to the company highly sought after graphic arts and information technology skills. And, with only

a few months of experience under his belt, Joe is already making valuable contributions to the company.

A native of Chicago, Joe recently graduated with a degree in Management Information Systems and Graphic Arts from Columbia College. He brings the right combination of education, technical knowledge, business savvy and work ethic that make him a good fit at Parent. During his short tenure with the company, Joe has found no shortage of work and is enjoying the many challenges brought forth in his new role at Parent.

Joe credits his co-workers for helping make the transition onto the team smooth and productive. "It's been really great and I look forward to being a part of the Parent team for many years to come," noted Joe.

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PARENT ADVANTAGE

*"The way you think determines the way you feel,
and the way you feel influences the way you act."
-Rich Warren, The Purpose Driven Life*

To You, Our Valued Customer:

You asked for it, and we're delivering. Last year, we debuted the Parent Advantage, a news publication compiled from the observations and experiences of our knowledgeable field staff, brand representatives, and industry consultants. That initial news bulletin was met with an enthusiastic response; customers said they liked what they read and wanted more. Based upon that feedback, and to better meet your growing needs, we have designed this publication to be a quick, easy read. It will be distributed on a bi-monthly basis, initially, and remain full of timely, helpful information, the latest happenings, and a wide assortment of other industry-related items to help give you a competitive edge.

We hope you enjoy the Parent Advantage and find the information included beneficial to your business operation. Let us know what you think. We welcome your comments and feedback.

Mark Potaczek
Editor

May 2005

Our Featured Dealer

By Ralph Pope



Nomi Lakhani is one of Parent's highest volume customers. He has achieved a remarkable level of success in the business since having emigrated to the United States from Pakistan in 1973. His world-wide journey is an inspiring story of perseverance, fortitude, and dedication to excellence.

Nomi grew up in the Karachi region of Pakistan with five brothers and a sister, all of whom were raised by their mother due to their father's death when Nomi was only nine years old. Nomi's mother worked as a maid to support the family and his oldest brother started working at age 12 to help out. The entire family lived in a single room hut with a dirt floor. Although Urdu was the national language in Pakistan, due to a large degree of British control at the time, English was the predominant language in the region. Consequently, Nomi became fluent in English, which proved to be of great benefit to him once he arrived in the U.S.

After completing high school in 1973, Nomi came to the United States on a four-year student visa. He was accepted at Blinn College in Brehan, Texas but soon afterwards, moved to Florida and attended Miami Dade Junior College. As a full-time student, Nomi did his best to support himself with odd jobs, but it soon became apparent to him that he would have to work

full time. It was around that time that he met a beautiful young lady from Tennessee named Jackie, and fell in love. They married and had two sons, John and Nomi, Jr. Nomi was able to get his mother a visa and plane ticket so that she too could emigrate to the U.S. Eventually, he helped his siblings to make the move and now all are living in the U.S. and operating their own businesses.

Nomi moved to the Chicago area and got a job at a printing company, first as a custodian and then as a printing press operator. During this period, he and his five brothers bought an existing "Gas for Less" which they converted into a CITGO. They were all working other day jobs at the time. After closing, they worked at night building shelves and converting the station into a modern convenience store. They transformed the unit from a 30,000 GPM facility into a 125,000 GPM pumper. Eventually, they expanded their operations into repair garages, body shops, and even the taxi business. As more years passed, they began to build their own gas stations, and today, Nomi's Wadsworth Plaza is among the highest volume CITGOs in the market, with gasoline sales of a half-million GPM. The site includes a premium car wash, quick serve restaurant (Subway), and a truck diesel operation. Nomi applies a MBWA (management by walking around) leadership style to his business; he is keenly aware of what is occurring at his sites as well as the trade area surrounding each facility. He is not afraid to incorporate new marketing tactics into his business and adheres to a strict philosophy of cleanliness, competitiveness, convenience, and customer service.

Compliance here is easy, as you simply retain one "Pass Tank Test" printout per month from your tank monitor. The OSFM representative will want to see 12 months worth of these readouts, so keep them in a secure spot. One note of caution is that not all tank monitors have the software necessary to perform this tightness test, although most of the recent models do. If you don't have the proper monthly tank monitor results, an annual precision test is all the OSFM will accept. Officials from the OSFM have been issuing citations and fines to operators who do not comply with these requirements. If you have any doubts or concerns about the status of your system, contact your Marketing Representative and they will gather the facts and provide you with guidance.

Regulatory Reminder

By Mike Ague

Many dealers forget or are unaware that all product lines and line leak detectors must be tested annually. Line leak detectors, whether mechanical or electronic, are designed to alert the operator to the presence of a line leak by restricting or shutting off the flow of gasoline through the product piping, or triggering an audible or visual alarm. They are located at the submersible pump.

Additionally, you are required to have printouts from your tank monitor available should a representative from the Office of the State Fire Marshal visit your site.

About Gasoline Prices

By Calvin Herd & Ted Wilde

As the summer driving season approaches, we would like to share some information that may assist you in helping your customers put the rising fuel prices in perspective. There are three inter-related causes of the pricing situation we are seeing today: 1. Crude Oil Prices 2. Supply/Demand Factors 3. Unique Gasoline Supply Requirements.

According to the American Petroleum Institute (API), Crude oil has risen to over \$55 per barrel - a record high in today's dollars. Since January, crude has risen nearly \$14 per barrel (the equivalent of \$.34 cents per gallon). These sharp price increases can be attributed to the tight balance of supply and demand in the world oil markets. This is driven by strong economic growth, particularly in China and the U.S.

The U.S. Energy Information Administration reports that global oil demand in 2004 grew by 3.4%—the strongest growth since 1978, and projections are for a 2.5% growth this year and next. Contrast that with world demand between 1993 and 2003, when there was a growth rate of only 1.6%. Due to limited refining capacity, suppliers have been struggling to keep up with the strong growth in demand. Most producers are at full capacity, producing gasoline at record levels, and inventories are 10% above average for this time of the year. Even so, we have experienced a sharp increase in fuel prices because refiners face higher costs in purchasing crude, which accounts for more than 50% of the retail cost of a gallon of gasoline.

New gasoline formulations were introduced last year, including a nationwide low-sulfur gasoline and the introduction of ethanol in several more states. Due to the Clean Air Act, refiners must produce and deliver over 20 specialized or "boutique" types of gasoline to separate markets. Additionally, the springtime seasonal shift to summer-blend gasolines (RVP changeover) can mean a temporary tight supply situation.

Although prices are at unprecedented highs right now, consider that when adjusted for inflation, the price of gasoline is still lower than it was in the early 1980's. If those prices had kept pace with inflation, they would be over \$3 per gallon today.

EPOS Update

By Patrick Price

In years past, there were several types of EPOS devices available for retailers. However, due to the high costs of software development, many refiners are limiting the platforms they will support. There are three major Point of Sale systems currently being manufactured that are supported by the branded refiners in our marketplace:

Gilbarco G-Site: All G-Sites can be upgraded for current refiner software requirements, with the only exception being the old "C-2" first generation models. The G-SITE combines a comprehensive electronic cash register with a powerful island controller that communicates sales and inventory data to your home or back office PC. The G-Site's key distinguishing feature is a scalable point of sale solutions designed to be the hub of your retail merchandising system.

Ruby Verifone: This platform can be utilized with Gilbarco, Dresser Wayne, and Tokheim dispensers, but it will require some additional hardware to interface with these makes. Retailers with Gilbarco dispensers will need a "pump access module (PAM)" which translates between the dispensers and the console. Dresser Wayne requires two additional boards in their distribution box, a pump interface board "PIB" and a credit activated terminal (CAT) board. Tokheim requires two additional boxes, a C-47 and a D-box. The cost of these interface devices generally ranges between \$1,000-1,500. Be advised that there are some "remanufactured" Ruby systems being offered. They tend to not have the amount of memory (RAM) that is required for the latest refiner applications. Although attractive in price, they cannot be upgraded.

Wayne Nucleus: This new system is replacing the Wayne Plus. The Wayne Plus will not be supported in the future and will not support debit functions. Considered one of the most sophisticated, yet simplest to use point-of-sale systems, the Nucleus System provides a platform for total store system management for the retail petroleum and C-store environment. Through an intuitive graphical user interface, the Nucleus provides integrated access and control of dispensers, pay-at-the-pump options, RFID payment system, in-store sales, tank level monitor, car wash, back office systems, and more. Built with industry standard hardware components and software services, Nucleus is an open architecture and adaptive platform that allows for easy hardware and software upgrades as marketing needs develop and new technologies are adapted.